Infrastructure status to Coal, Petroleum and Rail sector

1601. SHRI PREM CHAND GUPTA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Government plan to give infrastructure status to Coal, Petroleum and the Rail sector;

(b) whether Government are not considering the same status to the transport and aviation industry; and

(c) if so, what are Government's comments on this?

THE MINISTER OF INDUSTRY (SHRI SIKANDAR BAKHT): (a) Section 80 IA of the Income-tax Act provides for fiscal benefits to infrastructure sector, substantially on the basis of recommendations contained in the Rakesh Mohan Committee Report on Infrastructure. The sectors referred to are dealt with as under:—

Coal Sector:— No sector specific fiscal benefit is available under the provisions of this section.

Petroleum:— An undertaking engaged in commercial production of oil or oil refining is entitled to seven year tax holiday from the year it starts production or oil refining.

Rail Sector:— Under section 80 IA of the Income-tax Act, fiscal benefits by way of a five year tax holiday and a deduction of thirty per cent of profits in the subsequent five years within a period of twelve assessment years beginning with the assessment year in which an enterprise begins operating an infrastructure facility on Build-Operate-Transfer (BOT) or Build-Own-Operate-Transfer (BOOT) basis subject to certain conditions specified in the section are allowed. One of the conditions is that an enterprise shall develop, maintain and operate a new infrastructure facility, which shall be transferred to the Central Government within a specified period.

Roads, highways, bridges, ports, rail system, inland ports and inland waterways are included in the meaning of "infrastructure facility" under Section 80 IA of the Act.

(b) Transport and aviation sectors are also covered to the extent stated above (roads and airports are included in the meaning of "Infrastructure facility" under section 80IA).

(c) Does not arise.

Cancellation of projects

1602. SHRI PREM CHAND GUPTA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that 77 projects worth Rs. 85,000 crores in every sector of the economy have been stalled or cancelled for non-viability caused by the present economic slumps; and

(b) if so, what are the effects of this on our growth plans?

THE MINISTER OF INDUSTRY (SHRI SIKANDAR BAKHT): (a) and (b) As on June 1998, 451 projects costing Rs. 20 crores and above with total estimated cost of Rs. 1,65,071 crores were on the monitor of the Department of Programme Implementation. These projects are being funded according to their priority and date of commissioning within each sector depending on the availability of funds. No project has been declared unviable as a result of present economic scenario.

Steps to curb industrial recession

1603. SHRI BANGARU LAXMAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether a comprehensive plan has been launched to extricate the industry from the grip of recession; and

(b) if so, the salient features thereof, indicating the steps taken and to be taken to increase public expenditure and reduce its expenditure as a step towards curbing recession?